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April 22, 2003

Via ECF and Hand-Delivery

The Honorable Benson E. Legg
United States District Court
for the District of Maryland
101 W. Lombard Street
Baltimore, MD 21201

RE: Wyndholme Village, LLC, et al.
v. NADIF of Wyndholme, LLC, et al.
Civil Action No.: 01-3809

Dear Judge Legg:

This is to briefly respond to Mr. Sammons' letter of April 21, 2003 (Paper No. 52).

Mr. Sammons is in error in stating that Mr. Fisher's representations concerning his wherewithal and that of North American Doctors Investment Fund are of no import to this case. There were two components to the proposed funding of Wyndholme Village, LLC. The first was an immediate loan of \$750,000, to be followed by a construction loan of \$7 million once Wyndholme Village, LLC had obtained contracts for 31 units, which it did. The complaint, including ¶ 12 which I quoted to the Court in my status report of April 11, 2003, alleges that the individual Defendants represented that if they could not obtain the construction loan from a willing lender, North American Doctors Investment Fund had the wherewithal to make and would make the loan itself. *See also* complaint, ¶ 14. While Wyndholme Village, LLC received the initial \$750,000, NADIF did not provide the \$7 million, as it had represented, whether through Gotham Partners L.P., another third party or NADIF. Mr. Sammons glosses over the language of the complaint in ¶ 12. Mr. Lancelotta's affidavit on file with this Court, ¶¶ 9 & 13 (Paper No. 8), reflects that, based on Fisher's representations, NADIF, particularly given its financial wherewithal, would fund the construction loan if others did not. Mr. Lancelotta testified at deposition to the same effect. *See, e.g.,* tr. 115, 245-46, 318-320 (copies attached). Mr. Lancelotta's testimony is corroborated by the deposition testimony of Curtis Coon,

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Esquire (tr. 25-42), who was personal counsel to Mr. Lancelotta, and by Howard Rubenstein, Esquire (tr. 111-112), who was bankruptcy counsel to Wyndholme Village, LLC. Copies of these portions are attached.

The Defendants in this action, except for Mr. Fisher who has simply not responded to any discovery, have stated in interrogatory answers and deposition that they have no knowledge of the assets of the North American Doctors Investment Fund or The NADIF Group, which, according to Mr. Fisher, at the time was a real estate equity and development fund.¹ Fisher still appears as the managing member of NADIF of Wyndholme, LLC in the Florida Department of State's most recent filing (copy attached). Our investigation reflects that Mr. Fisher has been involved in a web involving numerous NADIF entities.² We have a substantial number of documents to question Mr. Fisher about that do not lend themselves to pre-marketing and forwarding to Mr. Fisher, given their bulk and volume. We also need time to follow up and verify what Fisher tells us at deposition, such as, for instance, about his involvement in the building of any Ritz-Carlton Hotels and the location of any NADIF funds.

On August 14, 1995, Fisher filed a Voluntary Petition under Chapter 7 in the United States Bankruptcy Court for the Eastern District of New York (Brooklyn) (Petition No. 95-16927). Among the \$16,649,806.05 in total liabilities, Fisher listed \$2.4 million owed to the Internal Revenue Service and \$175,000 to the State of Virginia Department of Taxation. On August 20, 2001, Fisher again filed a Voluntary Petition under Chapter 7, albeit in the United States Bankruptcy Court for the Middle District of Florida (Gainesville) (Petition No. 01-00539), and was discharged on December 20, 2001. Fisher listed a \$1,028,228.48 claim of the Internal Revenue Service of the total \$1,053,928.48 in liabilities. Fisher did not disclose his interests in the instant transaction, a real estate land deal at 1060 Brickell Avenue in Miami, Florida, or in the Baltimore inner harbor development projects. There is other evidence that Fisher has secreted his assets and real estate interests for purposes of hiding them from the Bankruptcy Courts and the Internal Revenue Service. *See, e.g.*, Quinn deposition, at 97-104 (attached).

Mr. Fisher is a key figure in this case. Under the circumstances, Plaintiffs should have a full opportunity for discovery from Mr. Fisher and a face-to-face deposition with him.

Thank you.

¹Fisher's cards that he distributed to Messrs. Lancelotta, Coon and Rubenstein stated The NADIF Group to be a real estate equity and development fund. A copy is attached.

²For example, NADIF Development of Florida, Inc., NADIF Group, Inc., NADIF of Wyndholme, Inc., NADIF World Trade Center, Inc., NADIF of Florida, Inc., NADIF of Inner Harbor, Inc., NADIF of South Beach, Inc., The North American Doctors' Investment Fund of Florida, Inc. and The North American Doctors' Investment Fund, Inc. *See* the attached chart reflecting the metamorphosis of the various NADIF-related names.

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Very truly yours,

Howard J. Schulman

HJS/hrk

Enclosures

cc: William C. Sammons, Esquire, *via ECF*
Stephen M. Goldberg, Esquire, *via ECF*
Mr. Stuart C. Fisher
Mr. James M. Lancelotta

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